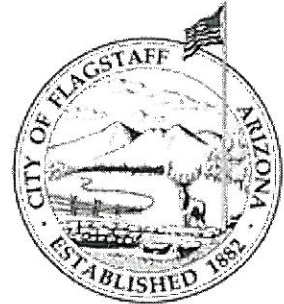


**CITY OF FLAGSTAFF  
STAFF SUMMARY REPORT**

**To:** The Honorable Mayor and Council  
**From:** Heather Ainardi, CVB Director  
**Date:** May 25, 2011  
**Meeting Date:** June 21, 2011



**TITLE:** Consideration of Sole Source Purchase: Advertising for the Convention and Visitors Bureau.

**RECOMMENDED ACTION:** Approve the purchase of advertisements from the following media outlets, and authorize the City Manager to execute the necessary document(s).

- Arizona Republic/AZCentral.com in a total amount not to exceed \$85,000
- AdReady/BlueKai in a total amount not to exceed \$85,000

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**ACTION SUMMARY:**

- Policy Decision or Reason for Action:
  - This action will allow the Convention and Visitors Bureau to place published and online advertisements in the target markets in accordance with the media plan proposed during the annual FY 2012 budget process for the upcoming fiscal year.
  - Decision Points:
    - No Subsidiary decision points
- Financial Impact:
  - The \$85,000 for advertising with the Arizona Republic/AZCentral.com and the \$85,000 for advertising with AdReady/BlueKai are in the CVB's FY 2012 media plan and corresponding marketing budget (053-8402-650-2802).
- Connection to Council Goal: A sustainable community through economic vitality, environmental protection and social inclusion
  - The CVB is responsible for executing an aggressive and targeted marketing campaign which will attract overnight visitation and increase BBB revenues. These BBB revenues are a critical component in creating a sustainable community, as they fund Arts & Science initiatives, beautification projects, Economic Development, Parks and Recreation, and future tourism promotion.
- Options:
  - Option A: Approve Arizona Republic/AZCentral.com and AdReady/BlueKai advertising as recommended
  - Option B: Not run Arizona Republic/AZCentral.com and AdReady/BlueKai advertising
  - Option C: Amend the FY 2012 Media Plan

**Division Director** (Acknowledgment that all reviews have been completed and required approvals initialed below.)

- Has there been a previous Council decision on this topic?: Yes.

INITIALS	RESPONSIBILITY	DATE	INITIALS	RESPONSIBILITY	DATE
<u>MLL</u>	BIDS/PURCHASES	<u>6/6/11</u>	_____	FINANCE/BUDGET	_____
<u>DAK</u>	GRANTS	<u>6/2/11</u>	_____	CONTRACTS	_____
	LEGAL		_____	IGAS	_____

DATE OF COUNCIL APPROVAL: \_\_\_\_\_

## ADDITIONAL INFORMATION:

**Background/History:** The Flagstaff CVB develops and executes a comprehensive paid advertising plan each year in order to generate interest in the destination and promote overnight travel. In addition to developing the advertising plan, the CVB also generates all of the creative elements of the advertising campaign.

**Key Considerations:** Per the proposed FY 2012 Media Plan, the CVB begins placing advertising with the Arizona Republic/AZCentral.com and AdReady/BlueKai in early July to reach potential summer travelers. In order to place these ads, the CVB must contract with these outlets prior to the beginning of FY 2012. By signing annual contracts at this time for the above-mentioned media outlets, the CVB will secure much more favorable rates and reach potential travelers in the targeted markets. The 2008-2009 Flagstaff Visitor Study revealed that nearly half of all Flagstaff visitors originate from these two markets.

**Community Benefits and Considerations:** By advertising in these media outlets, and others, Flagstaff is promoted as a year-round visitor destination. The goal of the CVB's advertising is to increase overnight visitation to Flagstaff, thereby generating BBB tax revenue to be reinvested in the community.

**Community Involvement:** The media plan was presented to the Tourism Commission on January 25, 2011 and was recommended to Council for approval as presented.

**Financial Implications:** It is anticipated that the media plan for FY 2012 as outlined in the attachment will be approximately \$405,000. The total cost of the Arizona Republic / AZCentral.com contract will not exceed \$85,000. The Arizona Republic is the state's largest newspaper with a Sunday circulation of 463,000 and AZCentral.com is the paper's corresponding web site. The total cost of the AdReady/BlueKai contract will not exceed \$85,000. AdReady/BlueKai is an advertising technology company focused on online display advertising and behavioral targeting. Their technology enables the CVB to target travelers with relevant, timely messages.

### Options and Alternatives:

Option A: Approve Arizona Republic/AZCentral.com and AdReady/BlueKai advertising as recommended

Option B: Not run Arizona Republic/AZCentral.com and AdReady/BlueKai advertising

Option C: Amend the FY 2012 Media Plan

### Attachments:

FY 2012 Proposed Media Plan

Arizona Republic/AZCentral.com Advertising Agreement

AdReady/BlueKai Advertising Agreement

INITIALS	RESPONSIBILITY	DATE	INITIALS	RESPONSIBILITY	DATE
<u><i>me</i></u>	BIDS/PURCHASES	<u>6/6/11</u>	_____	FINANCE/BUDGET	_____
_____	GRANTS	_____	_____	CONTRACTS	_____
_____	LEGAL	_____	_____	IGAS	_____

DATE OF COUNCIL APPROVAL: \_\_\_\_\_

# Arizona Republic

Client: Flagstaff CVB

Agency: Direct

Dates: July 1, 2011 - June 30, 2012

Campaign:

Recommended Months: July 2011, Aug (up to Labor Day Weekend), Oct  
Jan 2012, Feb, March, May, June

Republic Media Options					
Sections/Targeting	Ad Sizes	PCI B/W	PCI F/C	Net Cost per ad B&W	Net Cost per ad Full Color
The ARIZONA Republic (Any section, any day of the week)	2c x 5"	\$123	\$169	\$ 1,230.00	1,690.00
24 ads to run at your discretion within a 12 month period					
AZ Magazine June 2012 Summer Travel issue	1/2 page				\$1,750 includes FC
Summer Vacation Guide 2012 (Phoenix & Tucson)	3c x 10"		\$337		\$10,110 includes FC
Added Value					
(4) Free ads at same size. Must run after paid ads have ran	2c x 5"				
Advertorial content next to Sunday Travel ad when it runs, upon availability. Must give a 10 day notice to run advertorial content					
Client must provide content and content is subject to edit					
Total Investment 8 Months: July 2011, Aug (up to Labor Day Weekend), Oct, Nov, Dec, Jan 2012, Feb March April, May, June					

Total Investment with AZCentral.com and Arizona Republic not to exceed \$85,000 for Fiscal Year 2012

Arizona Republic/AZCentral.com Signature

City of Flagstaff Signature

Client: Flagstaff CVB

Agency: Direct

Dates: July 1, 2011 - June 30, 2012

Campaign:

Recommended 9 Months: 2011 - July, Aug, Sept, Nov, Dec 2012 - March, April, May, June



Sections/Targeting		Monthly			
	Ad Sizes	Impressions	CPM	Net Cost	
Travel Section	300x250, 160x600, 728x90	75,000	\$ 12.00	\$	900.00
Travel Section	Mega Tower - 300x600	14,000	\$ 14.00	\$	196.00
Things To Do - Events	300x250, 160x600, 728x90	52,833	\$ 12.00	\$	634.00
Behavior Target - Arizona Traveler - GEO-Phoenix	300x250, 160x600, 728x90	150,000	\$ 16.00	\$	2,400.00
Stand Alone Email	500 Pixel Width	5,000	\$ 75.00	\$	375.00
Monthly		296,833		\$	4,505.00
Added Value		Value			
Travel Section	FIXED 120x90	50,000		\$	500.00
Travel Newsletter	Image and URL LINK	14,000		\$	450.00
Recommended 9 Months: 2011 - July, Aug, Sept, Nov, Dec 2012 - March, April, May, June					
Total Added Value				\$	950.00

Recommended 9 Months: 2011 - July, Aug, Sept, Nov, Dec 2012 - March, April, May, June	
Total Added Value	\$ 40,545.00
	\$ 8,550.00



## AdReady Premium Agreement

Agreement #:

KM756423

Effective Date: 7/1/2011

This Service AGREEMENT including the below Order Form, Terms and Conditions (which are available at [www.adready.com/meta/terms](http://www.adready.com/meta/terms)) and all Exhibits or attachments hereto (collectively, the "Agreement") are entered into by AdReady, Inc. a Washington corporation and with an address of 936 N. 34th Street, Suite 300, Seattle, WA 98103 ("AdReady") and the person signing this Agreement ("you"). (If this Agreement is being signed by an individual on behalf of an entity, "you" means that entity) This Agreement is made and entered into as of the Effective Date as noted above.

### 1. CONTACT INFORMATION

Full Legal Name of Advertiser: **Flagstaff CVB**

	Primary Contact Info:	Billing Contact (A/P):	Adready Contact Info:
Name:	Jacki Lenners	Jacki Lenners	Kristina McAuliffe
Title	Marketing & Public Relations Manager	Marketing & Public Relations Manager	Account Executive
E-Mail:	<a href="mailto:jlenners@flagstaffaz.gov">jlenners@flagstaffaz.gov</a>	<a href="mailto:jlenners@flagstaffaz.gov">jlenners@flagstaffaz.gov</a>	<a href="mailto:kmcauliffe@adready.com">kmcauliffe@adready.com</a>
Phone:	928.779.7628	928.779.7628	206.452.1515
Address:	211 W. Aspen Ave.	211 W. Aspen Ave.	936 N. 34th St, #300
City/St/Zip:	Flagstaff AZ 86001	Flagstaff AZ 86001	Seattle, WA 98103

### 2. PLATFORM TERMS (See 'Definitions' for more details)

Service Fee	15% of Ad Spend
Service Fee Minimum	\$1250 per month (Plus sales tax if applicable)
Ad Theme Download Fee (per theme - 14 files total)	\$250 (plus sales tax if applicable)
Custom Templates Included	Three (3) in the first 90 days
Additional Templates Builds	\$500 each
3rd Party Ad Serving Fees	\$0.12 CPM (if applicable)

### 3. CONTRACT TERM

This Agreement shall become effective when signed by all parties and, shall remain in effect for a term of one (1) year. Advertiser will not exceed \$85,000 total in billings during the term of the contract. This Agreement shall renew automatically for successive terms of one (1) year each, unless either party provides written notice of termination to the other parties at least ninety (90) days prior to the end of the then current term. The term effective date of the agreement does not necessarily coincide with the start date of any media campaigns. AdReady may at any time terminate this agreement for cause/non-payment with 30 days notice.

### 4. PAYMENT DETAILS

Billing for Media will be completed by credit card payment via the AdReady system or via Net 30 day billing and processed as defined in the AdReady Terms and Conditions. Payment details for license fees, Management Fees & Theme Downloads available in the 'Definitions' section.

### 5. AUTHORIZING SIGNATURES

WHEREBY, THE DULY AUTHORIZED REPRESENTATIVES OF THE PARTIES EXECUTE THIS AGREEMENT AS OF THE EFFECTIVE DATE.

AdReady:		Advertiser:	
Print Name		Print Name	
Title		Title	
Date		Date	
Signature		Signature	